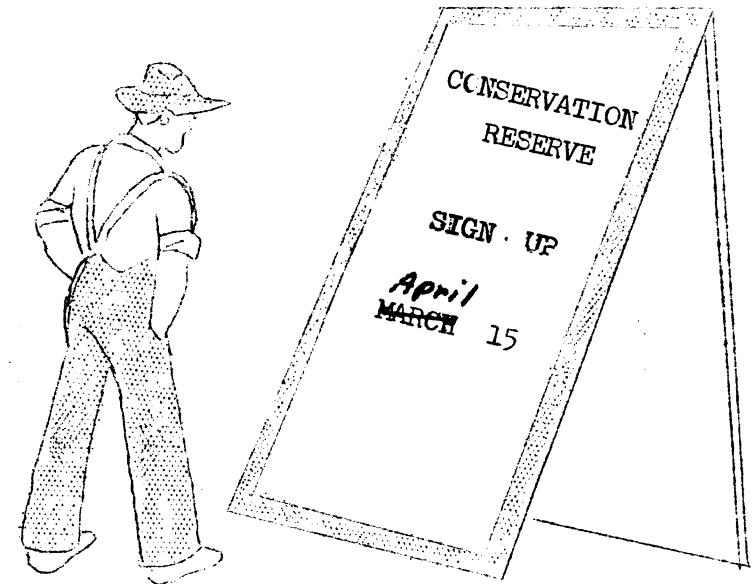


EXTENSION FACTS LEAFLET  
ON THE  
CONSERVATION RESERVE  
PHASE OF THE SCIL BANK



by  
Wallace Barr  
Extension Economist, Farm Management  
and Policy

257/5425

The Ohio State University cooperating with the U.S.  
Department of Agriculture, Agricultural Extension  
Service, W. B. Wood, Director, Columbus, Ohio.  
Distributed in furtherance of Acts of May 8 and  
June 30, 1914.

The objectives of the Soil Bank Act are:

- (1) To reduce surplus commodities
- (2) To achieve better land use
- (3) To improve farm income, and
- (4) To provide adequate, balanced, and orderly flow of agricultural commodities in interstate and foreign commerce.

The Soil Bank is divided into two distinct parts--the acreage reserve and the conservation reserve. The acreage reserve is a program attempting to adjust the supply of "basic" crops (corn, wheat, and tobacco in Ohio). The conservation reserve is a long-time program. Better land use is to be encouraged by the establishment of grass, trees, or ponds on land that is presently being used to produce crops.

## THE CONSERVATION RESERVE

### 1. What is the purpose of the Conservation Reserve Program?

It is a long-term program designed to reduce the volume of crop production and thus surpluses. It is designed to assist producers in establishing vegetative cover, trees, water storage facilities, other soil and water or wildlife conserving practices on land regularly used in the production of crops.

### 2. What are the Conservation Reserve goals in the United States and Ohio?

The goal for the United States is 20 million acres. The goal for Ohio is 480,000 acres of cropland. This is 4.6% of the cropland harvested in Ohio.

### 3. What type of assistance is available?

The Secretary of Agriculture will enter into a contract with producers:

- a. to share the costs of establishing approved conservation practices on the designated conservation reserve, and
- b. to make annual payments to such producers for maintaining the conservation uses for the term of the contract. Farmers agree to remove land from production of crops and devote it exclusively to conservation.

### 4. Who is eligible to participate?

Any farmer who has eligible land and voluntarily signs a contract.

### 5. Which land is eligible for the Conservation Reserve?

Land eligible for conservation reserve includes:

- a. Land which was tilled or was in regular crop rotation during the year immediately preceding the first year of the contract period. (Land which was not actually tilled or in regular rotation in the last year because of adverse weather might be approved by the ASC if it were tilled or in regular rotation sometime in the last 5 years.)
- b. Land which was established in permanent vegetative cover (other than trees) since 1953, and which was classified as cropland at the time of seeding.

### 6. Which land is not eligible for the Conservation Reserve?

- a. Land designated as acreage reserve in any year is not eligible during that year. In other words, you cannot get paid twice for the same land.
- b. Land covered by water previous to the contract or land planted to small fruit, nursery stock, or orchard trees is not eligible.
- c. Land owned by the Federal Government or by a corporation wholly owned by the Federal Government is not eligible.

- d. Tracts which are of such size or shape that it is impractical to determine performance is not eligible.

7. Can I choose the land I want to place in the Conservation Reserve?

Farmers will be asked to designate the specific tract(s) when signing an agreement. The land designated must be eligible land.

8. Does participation affect my future allotments?

Most farms have a base from which acreage allotments are determined. Participation in the conservation reserve will not lower the historical base acreage for allotment purposes. Future allotments will not be reduced because of participation in the conservation reserve.

9. Do I sign a contract?

Requirements for signing contracts are as follows:

- a. A contract must be signed by the farm owner or owners.
- b. The farm operator may sign in lieu of the owner if he is a cash tenant, (but not a share-tenant) for the entire contract period.
- c. Farm operators, if other than the owner, must sign with the owner.
- d. Producers not having any control of the farm are not required to sign the contract.

10. What is the deadline for signing Conservation Reserve agreements?

For 1957 the contract must be signed and filed in the county A.S.C. office by ~~March~~ <sup>April</sup> 15, 1957. In subsequent years the March 15 deadline shall apply, excepting no contract will be entered into after December 31, 1960.

11. Can I terminate a contract before it expires?

Contracts may be modified or terminated upon mutual agreement of the signers and the county committee. Such actions must be approved.

12. What happens if there is a change in tenants?

The new tenant may be substituted under the contract. He will need to sign the contract. The tenant leaving the farm will have his contract terminated. If the change occurs after crops are planted the original tenant receives the payment for that year. If the change occurs before the crops are planted the new tenant may receive the payment if a new agreement is signed.

13. If a farm changes ownership, can the new owner continue the contract?

Yes. The new owner must sign the contract, if he chooses to continue the agreement. The new owner needs not continue the contract. Agreements are with the owner-operator rather than with the land.

14. What is the length of the contracts?

The contracts are for not less than three years nor more than 15 years. The

length depends upon the conservation practice to be followed on the designated acres.

1. If adequate vegetative cover is present and no cost sharing payment is involved the contract is for a minimum of 3 years, and can be 5 or 10 years if the producer so elects.
2. If vegetative cover needs to be established and cost sharing payment is involved the minimum is 5 years, or 10 years if the producer so elects.
3. For pond construction on designated conservation reserve acres with cost sharing the minimum is for 5 years, or 10 years if the producer so elects.
4. For establishment of trees and cost sharing is involved the contract is for 10 years, but may be 15 years if the producer so elects.

15. What payments am I eligible to receive?

You will be eligible to receive annual rental payments and cost-share payments.

16. How and when will payments be made?

Payments will be made as soon as possible after the county A.S.C. committee has determined the producer's soil bank base crops and other land use on the farm. Annual payment will be by check. Cost-share payments will be made after completion of the practices.

17. How are the annual rental payments computed for each county?

The State committee will establish a regular annual payment rate for each county, based on:

1. The cash value of the land.
2. Prevailing rates for cash rentals.
3. Productivity of land in the county as compared with land in other counties of the state.

18. What will be the amount of the annual rental payment?

The annual rental payment will average \$12.00 per acre in Ohio. The rental payments vary from \$9.00 - \$15.00 in Ohio's 88 counties.

19. What is the maximum cost-share payments?

The maximum share of the cost of carrying out an approved practice on the conservation reserve shall be 80 percent or less of the cost of performing the practice, if approved by the A.S.C.

20. Is there any maximum acreage limits per farm in the Conservation Reserve?

There is no limit to the maximum number of eligible acres which can be placed in the conservation reserve. However, there is a limit of \$5,000 annual payment to any producer for any program year with respect to all farms in which he has an interest. In case all eligible land on a farm is designated as conservation reserve, approval might be secured to exceed the \$5,000 limit.

21. What are the minimum participation requirements?

The minimum acreage which may be placed in the conservation reserve on a farm, is five acres. The following are exceptions:

1. The minimum is two acres where the entire acreage put in the conservation reserve is planted to tree cover. The minimum is two acres where tree cover is to be established, even though other land on the farm is placed in the conservation reserve.
2. The minimum for small farms can be placed at not less than one acre where the county A.S.C. committee, through approval of the state committee, determines that such action is consistent with the purposes of the program and the total acreage is too small to warrant a larger minimum.

22. How can I use the acres placed in the Conservation Reserve?

Producers participating in this phase of the Soil Bank must agree, among other things to:

1. Harvest no crop on designated acres during the contract. (Trees, except Christmas trees, can be harvested in accord with good forestry management. Wildlife may be taken from the reserve).
2. Permit no grazing on the designated acres during the contract. The Secretary may permit grazing in case of natural disaster.
3. Control the spread of noxious weeds - Johnson grass, bindweed, quackgrass, and Canada thistle - without reimbursement. The county A.S.C. will specify practices that can be used.
4. Establish and (or) maintain an approved A.S.C. cover crop. The cover crop shall be perennial grasses or legumes and must protect against erosion.

23. What other things must I agree to if I sign a Conservation Reserve Agreement?

1. Comply with tobacco, corn and wheat allotment. The 15 acre provision is considered compliance with the wheat allotment.
2. Not to use water for irrigation of crops from ponds established under the contract. Irrigation from these ponds is permissible on designated conservation reserve acres.
3. Limit the acreage of what are called "soil bank base crops" on the farm. Non-cropland brought into production shall be a violation unless prior approval of A.S.C. is received and an equal acreage is restored to permanent vegetative cover.

24. What is the "farm soil bank base"?

This is the acreage eligible for the conservation reserve at the regular or full rate of payment. It includes all cropland use generally considered "soil depleting". Land use generally considered "soil conserving" is not eligible for full payment. Land in the acreage reserve is a part of the "farm soil bank base" but does not receive conservation reserve payments since acreage reserve payments apply.

25. What are the "soil bank base crops"?

The principal "soil bank base crops" in Ohio are corn, all small grains, soybeans, field peas and beans, tobacco, vegetables for fresh marketing or processing, potatoes, and sugar beets. Annual grasses are considered "soil bank base crops" if seed is harvested.

Annual, biennial or perennial grasses or legumes grown for hay or pasture, any green manure crop not removed from land, and home gardens are not soil bank base crops. They are considered "soil conserving".

26. What if I grow more than one crop on the same land in the same year?

When more than one crop is produced on the same land in one year and one of the crops is a "soil bank base crop," the land will be considered as having a "soil bank base crop" for the entire year.

27. How can I determine my "farm soil bank base" for 1957?

Determine the total acreage of "soil bank base crops" for 1955 and 1956. Add the number of acres in the acreage reserve and divide the total by 2. This gives the "soil bank base".

Farmer A had 40 acres of corn in 1955 and grew 35 acres of corn in 1956. He grew 14 and 12 acres of wheat and has grown 22 and 31 acres of oats in 1955 and 1956 respectively. He placed 5 acres in the corn acreage reserve in 1956. These are his only "soil bank base crops" as he has used all his meadow for hay and pasture except the 5 acres in the 1956 acreage reserve.

Soil bank base crops in 1955	-	76 acres
Soil bank base crops in 1956	-	78 acres
Acreage reserve in 1956	-	5 acres
Total	-	159 acres
Soil bank base (159 ÷ 2) =		79.5 acres

Farmer B has grown 90 and 80 acres of corn, 19 and 18 acres of wheat, 4 and 5 acres of sugar beets, 6 and 7 acres of tomatoes, and 30 and 35 acres of soybeans in 1956 and 1957 respectively. The remainder of his cropland was in hay and pasture.

Soil bank base crops in 1955	-	149 acres
Soil bank base crops in 1956	-	145 acres
Acreage reserve in 1956	-	0 acres
Total	-	294 acres
Soil bank base (294 ÷ 2)		147 acres

28. How will my "farm soil bank base" be determined if I want to sign an agreement in 1958?

The average will be determined by starting with 1955 on all contracts. For 1958 a 3 year average will be used and in 1959 a 4 year average is determined.

Farmer C had the following:

Soil bank base crops in 1955	-	130 acres
Soil bank base crops in 1956	-	125 acres
Soil bank base crops in 1957	-	133 acres
Acreage Reserve in 1956	-	5 acres
Acreage Reserve in 1957	-	0 acres
Total		<u>393</u> acres
Soil bank base (393 ÷ 3) =		131 acres

29. I did not have the opportunity to plant all of my "soil bank base crops" because of weather conditions. Are adjustments possible?

Adjustments for an individual crop acreage can be made for the years preceding the signing of the contract. Adjustments can be made upward or downward for (1) abnormal weather or (2) change in rotation. In both cases the established normal cropping pattern will be considered by the county A.S.C. committee.

30. How many acres of "soil bank base crops" can I harvest in any year?

The permitted acreage of "soil bank base crops" which may be harvested in any year is the "farm soil bank base" minus the acreage placed in the conservation reserve at the regular rate. In other words, permitted acres are the amount that can be harvested. Any land placed in the acreage reserve in any year of the conservation reserve contract is not charged against the permitted acreage.

Farmer D has a farm soil bank base of 89 acres. He placed 10 acres in the conservation reserve. His permitted acreage is 79 acres.

Farmer E has a farm soil bank base of 100 acres. He designates 15 acres for the conservation reserve and 10 acres for the acreage reserve. The permitted acreage is 85 acres.

31. Can I place eligible land on my farm not included in the "farm soil bank base" in the Conservation Reserve?

This eligible land (rotated meadow) can be placed in the conservation reserve at the non-diversion rate.

32. What is the "non-diversion" rate?

This rate is 30% of the regular annual county rental, rounded to the nearest 10 cents. The regular rate averages \$12.00 per acre in Ohio. Taking 30% of \$12.00 equals \$3.60 per acre as the average non-diversion rate for Ohio.

33. Are there any provisions so that a farmer with a small "farm soil bank base" can participate?

Farms with not more than 30 acres soil bank base have a number of alternatives.

The (1) method would be to place any amount of eligible land up to his "farm soil bank base" in the conservation reserve. He would receive the regular rate. This would be land devoted to grain production.



Farmer F has a 45 acre farm. There are 42 acres of rotated cropland. He has grown an average of 13 acres of corn, 8 acres of wheat and 5 acres of oats. This makes a "farm soil bank base" acreage of 26 acres. He has 16 acres of rotated meadow land. He could place 26 acres in the conservation reserve at \$12.00 per acre (state average). His permitted acreage would be 0 acres. Multiplying 26 acres times \$12.00 equals \$312.00.

In addition to what is done in method (1) he could (2) place in the conservation reserve at the non-diversion rate any amount of eligible land not in the conservation reserve at the regular rate. This would be meadow land.

Farmer F of the previous example had 16 acres of rotated meadow land. Up to 16 acres could be placed in the conservation reserve at the non-diversion rate of \$3.60 per acre (state average). He could continue to grow the corn, wheat and oats as usual on the 26 acre soil bank base. He would receive \$57.60 (16 acres x \$3.60 per acre). He could not harvest or graze the designated conservation reserve acreage.

Another (3) alternative is to place land in the conservation reserve at both the regular and non-diversion rates. This would be both grain and meadow land.

Farmer F could place 5 acres of land in at the regular rate. The return would be \$60. (5 acres x \$12.00 per acre). He could also place 3 acres of meadow land in the conservation reserve at the non-diversion rate. The return would be \$10.80 (3 acres x \$3.60 per acre). The permitted acreage is 21 acres (26 acre farm soil bank base less 5 acres placed in conservation reserve at the regular rate).

34. What provisions apply to farms with more than a 30 acre "soil bank base"?

Farms with more than a 30 acre "farm soil bank base" (soil depleting crops) have a number of alternatives.

The first (1) method would be to place in the conservation reserve any amount of eligible land up to the farm soil bank base. He would receive the regular rate (\$12.00 per acre). No land may be placed in the conservation reserve at the non-diversion rate unless all "farm soil bank base" is put in the contract.

Farmer G has 220 acres of eligible land (rotated cropland). His soil bank base is 120 acres. He could place a minimum of 5 acres in the conservation reserve. He would receive \$60.00 (5 acres x \$12.00). His permitted acreage is 115 acres.

Another method (2) would be to place all of the eligible land in the conservation reserve. He would receive the regular rate for the "farm soil bank base" and the non-diversion rate for the difference between the "farm soil bank base" and the eligible acres.

Farmer G of the previous example has 220 acres of eligible land. His "soil bank base" is 120 acres. He can place 120 acres in the conservation reserve at \$12.00 per acre (regular rate). The difference in the "farm soil bank base" and the eligible land is 100 acres (220 - 120 = 100). He would receive \$3.60 per acre for the 100 acres. His entire cropland is in the conservation reserve.

The reimbursement on the 120 acre "farm soil bank base" would be \$1440. (120 acres x \$12.00 per acre). The compensation on the meadow land is \$360.00 (100 acres x \$3.60). The total amount to be paid would be \$1800.00.

35. How can I place all of my farm in the Soil Bank if I want to be in the acreage reserve also?

The farmer would need to determine his "farm soil bank base". The maximum acreage requirements on the acreage reserve would apply. The "farm soil bank base" would be compensated at the full rate (\$12.00 per acre) in the conservation reserve. The remaining eligible land would be compensated at the non-diversion rate of \$3.60 per acre. The designated acreage reserve area is not charged against the "farm soil bank base".

Farmer H has 160 acre farm in a commercial corn county. He has been growing in the last 2 years an average of:

35 acres of corn	53 acres of hay (other eligible land)
16 acres of wheat	
17 acres of oats	
32 acres of soybeans	
<u>100</u> acre "farm soil bank base"	

His maximum acreage in the acreage reserve is as follows:

20 acres of corn
16 acres of wheat
<u>36</u> acres in acreage reserve

The possibility exists of placing the additional 15 acres of corn in the corn acreage reserve if all county A.S.C. funds are not allocated and if he has any eligible land.

His maximum acreage in the conservation reserve at the full rate is the 100 acre "farm soil bank base".

His maximum acreage at the non-diversion rate is:

153 acres of eligible land
136 acre "farm soil bank base" and acreage reserve
<u>17</u> acres at the non-diversion rate.

The remaining 7 acres would be ineligible for Soil Bank participation.

Farmer I has a 120 acre farm in a commercial corn county. He has been growing in the last 2 years an average of:

40 acres of corn	and 10 acres of hay
25 acres of wheat	
15 acres of oats	
20 acres of soybeans	
<u>100</u> acre farm soil bank base	

His maximum in the conservation reserve is the "farm soil bank base" of 100 acres at the full rate (\$12.00) and 10 acres at the non-diversion rate of \$3.60.

His maximum in the acreage reserve is:

20 acres of corn  
25 acres of wheat  
45 acres in acreage reserve

Farmer I has 110 acres of eligible land to be placed in soil bank. He could place 45 acres in the acreage reserve and 55 acres in the conservation reserve. The 55 acres would be at the full rate.

36. How much would I receive if I placed all of my eligible cropland in the Soil Bank?

Using Farmer H (#35) as an example:

Acreage Reserve

20 A. of corn x \$49.50 (farm return per acre) = \$ 990.00  
16 A. of wheat x 22 bu. (normal yield) x \$1.20 = 422.40  
Total \$1412.40

Conservation Reserve

100 A. (farm soil bank base less Acreage Reserve)  
x \$12.00 = \$1200.00  
17 A. (non-diversion) x \$3.60 = 61.20  
Total \$1261.20  
Grand Total \$2673.60

37. What practices are eligible for cost-sharing and how much will I be paid for these practices?

The conservation practices eligible for cost-sharing and the amount you will be paid for each practice are as follows:

1. Establishment of permanent vegetative cover.

The maximum Federal cost share will be:

- \$4.80 per acre for land preparation.
- Payment for lime application varies for each county (range is \$2.24 to \$6.24 per ton of agricultural ground limestone).
- \$6.80 per acre for fertilizer.
- \$2.35 to \$6.40 per acre for seeding, depending on which of the five recommended seeding mixtures you choose to use. (see question 39)

38. What are the other eligible cost-sharing practices and how much will I be paid?

1. Establishment and management of cover beneficial to wildlife. These special plantings might be a windbreak or shelter belts, travel lanes of multiflora rose, wildlife borders, food or cover for production of wildlife.

The Federal cost-share shall not exceed the cost of establishing vegetative cover or trees on the same land.

2. Tree planting:

The Federal cost-share will be:

- a. Maximum of \$3.00 per 100 trees (no payment will be made for orchard, ornamental, or Christmas trees). There is no intent to subsidize commercial Christmas tree production.

3. Ponds and reservoirs for livestock water.

The Federal cost share will be:

- a. 80% of the cost up to \$625.00  
40% of the cost from \$625.00 to \$1,000.00  
20% of the cost over \$1,000.00
- b. Maximum payment is not to exceed \$1,500. This includes earth moving, construction of mechanical spillway, livestock waterline, seeding and all other costs.

4. Construction of dams and ponds for fish.

The Federal cost share will be:

- a. Same as for ponds and reservoirs except pipe thru fill is not allowable.

5. Water and marsh management to benefit fish and wildlife.

The Federal cost share will be:

- a. Same as for ponds and reservoirs except pipe thru fill is not allowable.

39. What are the recommended seeding mixtures and cost-share payments for establishing vegetative cover?

1. The basic mixture for seeding is:

Timothy (2# in fall; 4# in spring)  
or Bromegrass 6#  
or Orchardgrass 5#  
or Fescue 6#

2. Alfalfa, red clover, ladino, or alsike individually or any combination, totaling 8 pounds, when seeded with basic mixture the cost-share payment is \$4.80 per acre.

3. Ladino clover, 1 pound, when seeded with basic mixture the cost-share payment is \$2.40 per acre.
4. Birdsfoot trefoil, 5 pounds, when seeded with basic mixture the cost-share is \$6.40 per acre.
5. Sweet clover, 5 pounds, when seeded with basic mixture the cost-share is \$2.35 per acre.
6. Serica lespedeza (hulled), 20 pounds, when seeded with basic mixture the cost-share is \$5.85 per acre.

40. How will the payments be divided between landlords and tenants?

The share that landlords and tenants will receive shall be on a fair and equitable basis and must be approved by the county A.S.C. committee. The contract shall specify the basis of the division of the annual payments as agreed upon by the signers. Cost-share payments will be made to the person who finances the practice.

41. What provisions apply to tenants and landlord relationship?

No contract shall be entered into if it appears:

1. That the operator or landlord has reduced the number of areas of a tenant.
2. That the operator or landlord has reduced the number of tenants on the farm.
3. That the operator or landlord has increased his share of the crop and reduced the tenants share.
4. That there exists between operators, landlords, and tenant(s) an agreement:
  - a. to cause the tenant to pay over to the landlord, or operator any compensation.
  - b. to change the status with respect to land, or
  - c. to reduce the size of the tenant(s) share of allotment, or
  - d. to increase rent to be paid by tenants or to decrease share of the crop received by the tenant.

42. Can Conservation Reserve contracts be changed?

Contracts can be modified at any time prior to January 1, 1961, to put additional land in the Conservation Reserve. The time period for the new land is independent of the other contract. The soil bank base will remain the same but the permitted acreage may change.

43. What if I violate the Conservation Reserve Contract?

If the violation is of such substantial nature as to warrant termination of the contract all payments will be forfeited, and the farmer shall refund all such payments with interest at the rate of six percent per annum.

If the violation does not warrant termination of the contract the producer shall accept such compensation, adjustments, forfeit benefits, and make such refunds as may be deemed appropriate. A civil penalty will be assessed against any producer who knowingly and willfully grazes or harvests any crop from any acreage in violation of the contract. This penalty will be 50 percent of the amount payable as cost-share and annual payments for the year in which the violation occurs. It is in addition to any amount forfeited under the provisions of the contract.